

OPERATIONS MEMO

For Public Release

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Subject: Electronic Funds Transfer (EFT) Program for Local and District Tax Jurisdictions

I. Purpose

The purpose of this memo is to outline the procedures to register and process changes for local jurisdictions under the EFT program and provide Board of Equalization (BOE) contact and telephone numbers for local jurisdiction payment issues.

II. Background

The EFT program for local tax jurisdictions is being implemented as a result of the State Controller's Office (SCO) decision to discontinue the Same Day Banking program.

As of April 2001, the jurisdictions (cities, counties, and special taxing jurisdictions) have the option of receiving their local sales, transactions, and use tax payments by paper warrant or by EFT. Those jurisdictions choosing to receive a paper warrant will receive their warrant through the U.S. Postal Service.

III. Procedure

The Local Revenue Allocation Section (LRAS) is responsible for administering the EFT program for local jurisdictions. If a city, county, or special tax district contacts a BOE district office for information or instructions regarding this program, the jurisdiction should be directed to contact the warrant desk in LRAS.

The warrant desk will provide guidance and the appropriate forms required to register new EFT accounts or make changes to existing accounts. The standard form BOE-555-LJ, EFT Authorization Agreement for Local Jurisdictions must be submitted by jurisdictions wishing to enroll in the program or change their banking information. When the completed form has been received in LRAS and verification procedures have been performed, the pertinent banking information will be entered to register an account or make changes to an existing account. A letter of confirmation will then be mailed to the jurisdiction's designated contact person.

Currently, one to two pre-note tests are run for each monthly pay cycle to verify banking information for each participating jurisdiction. It is the timing of the pre-note tests that dictates the effective date of the change to EFT status. Generally, the registration and pre-note process requires up to 60 days to complete, whether for a new enrollment or a change to an existing account. Under these circumstances, the jurisdiction will generally receive a paper warrant through the U.S. Postal Service until the EFT process is implemented. Warrants are mailed by SCO on the same day that EFT deposits are posted. Information about the warrant payment amounts being distributed to the jurisdictions can be found on the Board's website under Local Tax Statements.

IV. Questions

Any questions should be referred to the Local Revenue Allocation Section's warrant desk at (916) 324-3000 or CalNet 8-454-3000.

V. Obsolescence

This operations memo will become obsolete when procedures are incorporated into the appropriate manuals.

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